

Indiana Biennial State Budget Fiscal Years 2004 and 2005

HB 1001 is a balanced, fiscally responsible budget that provides for important priorities in the State of Indiana. It requires fiscal responsibility in a time of falling state revenues and increasing demands on education and economic development.

➤ **HB 1001 does not raise taxes.**

➤ **HB 1001 increases funding for schools.**

- Provides a 2% increase in K-12 tuition support that will maintain current programs and continue vital state support for our public schools.
- Restores cuts made to our public universities and provides a 1% increase of funding in FY 05 to maintain state support levels.
- Provides full funding for SSACI college scholarship programs.

➤ **HB 1001 paves the way for creating more jobs.**

- Includes important university building programs to enhance life sciences, research, and technology at our research institutions.
- Leaves tobacco securitization funds for the Governor's Energize Indiana program to create jobs and improve our state's economic climate.

➤ **HB 1001 maintains a state budget surplus.**

- Provides an important general fund reserve of \$570 million in FY 04 and \$670 million in FY 05 to guard against future revenue downturns.
- Uses \$190 million each year in teacher pension reserve funds to meet current pension obligations, not for other general fund expenses, leaving \$1.5 billion in the Pension Stabilization Fund.

➤ **HB 1001 cuts state government spending.**

- Controls spending on growing prison populations by diverting non-violent offenders to community corrections programs, saving \$24 million.
- Controls spending on Medicaid programs by potentially reducing reimbursement rates for optional services, saving \$77 million in FY 04 and \$109 million in FY 05.